



May 18, 2006

**BY OVERNIGHT MAIL**

Mary L. Cottrell, Secretary  
Department of Telecommunications and Energy  
One South Street Station  
Boston, MA 02110

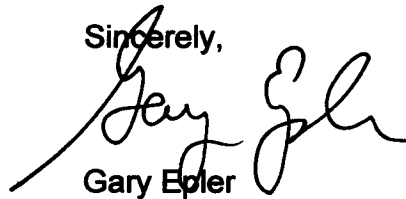
Re: Petition of Fitchburg Gas and Electric Light Company for  
Approval of a Change in the Method by Which the  
Company Recovers its Gas and Electric Bad Debt Costs  
D.T.E. 05-GAF-P4/06-28

Dear Secretary Cottrell:

Enclosed for filing on behalf of Fitchburg Gas and Electric Light Company d/b/a Unitil ("Unitil"), please find the original and one copy of Unitil's responses to the Department of Telecommunications and Energy's ("Department") Second Set of Information Requests, DTE 2-1 through DTE 2-3, in the above-referenced docket. Copies of these responses are being provided in the manner instructed.

Please contact me if you have any questions concerning this filing.

Sincerely,



Gary Epler

Enclosure

cc: Carol Pieper, Hearing Officer (2 copies)  
Thomas Carey, Analyst, Rates Division (1 copy)  
Mauricio Diaz, Analyst, Rates Division (1 copy)  
Alexander Kofitse, Analyst, Gas Division (1 copy)  
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Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company d/b/a Unitil  
Docket No: D.T.E. 05-GAF-P4/D.T.E. 06-28  
Department's Second Set of Document and Information Requests

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**Request No. DTE-2-1**

Please refer to the Company's filing for recovery of electric supply-related bad debt dated February 24, 2006, at Attachment 1. In light of the fact that the Company is seeking recovery of its under-recovered electric supply-related bad debt for calendar year 2005, please explain why the Company has included figures for calendar years 2003 and 2004 in this Attachment.

**Response:**

Data for calendar years 2003 and 2004 were provided on Attachment 1 of the Company's February 24, 2006 filing in order to demonstrate that, as had been determined with respect to Keyspan's gas supply-related bad debt costs in D.T.E. 03-40, the electric supply-related bad debt recovery methodology adopted in D.T.E. 02-24/25 effectively denied Unitil the opportunity to recover these costs. Accordingly, Unitil submits that its limited request to recover its under-recovered electric supply-related bad debt for calendar year 2005 is reasonable and is consistent with the recovery afforded to Keyspan in D.T.E. 05-66 and Bay State in D.T.E. 05-27.

**Person Responsible:** Karen M. Asbury

**Date:** May 19, 2006

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company d/b/a Unitil  
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**Request No. DTE-2-2**

Please refer to the Company's filing for recovery of electric supply-related bad debt dated February 24, 2006, at Attachment 1. Explain whether any recoveries of bad debts associated with the standard offer component for the years 2003 through 2005 have been included on this Attachment. If your answer is affirmative, provide the corresponding amounts for each year.

**Response:**

Attachment 1 of the Company's February 24, 2006 filing did include recoveries of bad debts allocated to the standard offer component for the years 2003 through 2005. The columns labeled "Recoveries allocated to Default Component" and "Default Component Write-offs, net of recoveries" also included Standard Offer Service, and in retrospect, would have been more appropriately been labeled "Recoveries allocated to Default and Standard Offer Components" and "Default and Standard Offer Service Component Write-offs, net of recoveries".

In the Company's February 24<sup>th</sup> filing, Default and Standard Offer Service recoveries and net write-offs were netted together. Attachment DTE 2-2, provided in a format similar to Attachment 1 of the February 24<sup>th</sup> filing, separates the gross and net write-offs, and the recoveries, for Default Service and Standard Offer Service.

**Person Responsible:** Karen M. Asbury

**Date:** May 19, 2006

(4) Calendar Year 2005 Electric Division recoveries allocated between Distribution, Default, and Standard Offer based on Electric Division Gross Write-offs, Calendar Year 2003-2003

Commonwealth of Massachusetts  
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**Request No. DTE-2-3**

Please refer to the attachment to the Company's response to DTE-1-1. Please provide the derivation of the \$405,501.00 bad debt expense amount appearing in the last column of the first line.

**Response:**

\$405,501 is the Electric Division 2001 test year total bad debt expense approved in the Company's last base rate case, DTE 02-24/25. Please refer to Attachment DTE 2-3 for a derivation of this amount. Attachment DTE 2-3 is Schedule MHC-7-8 (Electric) from the December 19, 2002 compliance filing in DTE 02-24/25.

**Person Responsible:** Karen M. Asbury

**Date:** May 19, 2006

**FITCHBURG GAS AND ELECTRIC LIGHT COMPANY**  
**BAD DEBT EXPENSE ADJUSTMENT**  
**FOR THE 12 MONTHS ENDED DECEMBER 31, 2001**

LINE NO.	YEAR	NET WRITE-OFFS	REVENUE	AMOUNT
1	1999	\$273,216	\$52,118,393	
2	2000	291,535	51,333,592	
3	2001	484,968	62,926,301	
4		1,049,719	166,378,286	
5				0.63%
6				
7				
8				
9				
10				
11				
12				

**(1) 34.72% PER DTE STAFF**